

MASFAA CONFERENCE

This year's MASFAA conference in Bozeman was a huge success. Representatives from nearly all of the financial aid offices attended the event. Dr. Geoffrey Gamble, President of Montana State University, gave opening remarks. MGSLP presented an overview of several programs and topics of interest including an update on Products, Mapping Your Future and Meteor. Scholarship Coordinator Janice Kirkpatrick addressed recent changes to the MUS Honors Scholarship. Current political and legislative issues were also discussed. Dr. John Molitor from Michigan State University was the keynote speaker. He engaged and educated MASFAA in a fun and humorous way on the importance of generational communication.

On behalf of all of us at MGSLP, we thank everyone who helped make the 2007 MASFAA conference a success. We look forward to seeing all of you next year in Butte!

MFEC Conference

"Saving & Investing: Our Future Depends On It," was the theme of the 3rd annual Montana Financial Education Coalition (MFEC) Conference in Billings. Among the conference attendees were schools and organizations, including MGSLP, committed to improving the personal financial knowledge and decision-making ability of Montana citizens. A youth track was included this year for the first time. Sessions included information on such topics as credit cards, fraud, investing, and homeownership. Nancy Brown, Western States Regional Director, from the National Jump\$tart Coalition gave an update on their 2006 national survey and congratulations are in order as Montana students scored above the national average.



(Tina Wagner and student Chennille Olson)

-Tina Wagner, Outreach Coordinator, MGSLP

FOCUS ON FINANCIAL AID

This month's Focus on Financial Aid highlights Shayna Sharp, Director of Financial Aid for Eastern Idaho Technical College (EITC). Shayna has worked in financial aid for over two years. She began her career in financial aid part time, and in December took over the post of director. Shayna has a degree in Mass Communication from Idaho State University. She says there are so many facets of the job that she enjoys. "I like the people and students I work with. I also like the higher education atmosphere. It is great to be able to help people reach their goals." When asked about plans for the future, Shayna says the number one goal is to keep the focus on the students. "I want the students to have a good experience when going to EITC. I want them to come here and get the most out of it with the least amount of hassle. We want to do anything we can to help the students to achieve their goals." Shayna and her husband spend a their spare time snowmobiling, water skiing and fishing.



THE DIRECTORS DEN

In light of all the attention given to potential student loan scandals, it seems only appropriate to devote a few lines to improper inducements. At least to me, it feels like our industry has fallen into quicksand. If we overreact by moving too quickly, we may wind up sinking. Instead, calm and cool heads need to prevail – especially here in Montana where we are a model of professionalism.

The heart of this controversy involves students getting the short straw. Lender XYZ pays school ABC to use its loan products – or to at least put that lender at the top of the lender list. Doing so steers students to loans at unfavorable rates or lacking in borrower benefits. The school or individual financial aid professional may benefit from this relationship, but clearly the student does not.

This is simply not happening in Montana. Many schools have 40, 50, or even more on their lender lists. In every case, students have multiple options and our financial aid offices are helping students to make choices that benefit students – not lenders or guarantors. While inducements are a serious problem and some corrective action needs to be taken, I urge you not to overreact. Montana can be proud of our pro-student model and the role we all play in improving access in Montana.

Bruce Marks, Director

SCHOLARSHIP UPDATE

The Montana Guaranteed Student Loan Program's Scholarship department has had a busy year. February saw improvements to the Montana University System (MUS) Honor Scholarship, a prestigious scholarship which waives a recipient's tuition at an MUS Campus (or Montana Community College campus) for up to 8 semesters. Prior to the changes at least one scholarship was given to each high school, per 50 students in a graduating class. Students will soon compete on a statewide basis. Recipients will be selected based upon a more equitable composite score, eliminating the previous variances in grading scores. Up to 200 scholarships will be awarded.

Changes to the Governor's Postsecondary Scholarship are also in the works. The changes seek to separate the scholarship criteria into two components, one for need based students, and another for students who demonstrate outstanding academic achievements. Changes are currently pending legislative approval. For further information on scholarship changes, or current scholarship offerings, contact the Scholarship Department of the Montana Guaranteed Student Loan Program at 1-800-537-7508, or visit www.mgslp.state.mt.us.





MGSLP would like to welcome Brian Klein, the newest addition to our Scholarship department. In addition to working in scholarships, Brian is also coordinator of the Montana Family Education Savings Program. Brian will be the primary liaison between Pacific Life, College Savings Bank and the state of Montana.

529 Savings Plan



In 1979, the Montana legislature created the Montana Guaranteed Student Loan Program (MGSLP) for the purpose of guaranteeing student loans in the state of Montana. For the past 28 years, MGSLP's mission has been to "provide financial access to students pursuing postsecondary education goals," a mission which has been accomplished not only through the guarantee of student loans, but also through the administration of various scholarships and programs. The 2005 acquisition of the Montana Family Education Savings Program served to further reinforce MGSLP's arsenal of financial access tools.

The Montana Family Education Savings Program, or MFESP, is a state sponsored 529 savings plan. Named after section 529 of the Internal Revenue Code, 529 plans are tax advantaged savings vehicles, designed to encourage the saving of money for higher education purposes. With a 529, contributions are allowed to grow tax free, while at the same time allowing for tax free disbursements when assets are utilized at a qualified educational institution world-wide. Most states, including Montana, also allow individuals to make an annual deduction from their state adjusted gross income. Originally created in 1997, MFESP provided a means for parents to save for their child's college education by investing in College Savings Bank's College Sure Certificates of Deposit. In 1999, College Saving's Bank was acquired by Pacific Life Funds, a merger which allowed the newly formed company to diversify its offerings, and in 2001 Mutual Funds were offered as part of the MFESP program. Four years later, in a restructuring of its own, the state assigned the Montana Board of Regents to become the plan trustees of MFESP, and tasked MGSLP with the day-to-day management of the plan. In 2006, the new Pacific Life bid and was re-awarded the MFESP financial management contract, for an additional three years.

Today, Pacific Life Funds oversees approximately 14,900 MFESP accounts totaling roughly \$188.5 million in assets under management. This breaks down to an approximate 7,700 College Sure CD accounts, and 7,200 Mutual Fund accounts, with \$116 million and \$72.5 million in assets respectively. As of March 2007, Montanans owned around 4,300 of the CD accounts, with assets of around \$39.8 million, as well as 4,200 mutual fund accounts, totaling around \$37.6 million in assets. Aside from the standard tax benefits, Montana residents enjoy up to a \$3,000 (or \$6,000 if married and filing jointly) deduction from their Montana adjusted gross income, on contributions made to an MFESP account.

The Montana Family Education Savings Plan currently offers three avenues of investment to choose from. Individuals may invest in College Sure CD's from College Savings Bank, or they can invest in any of the 5 fund of funds, which offer up to 11 asset classes, 12 investment managers, and 16 underlying funds with over 1,000 unique holdings. Portfolio models range from Conservative to Aggressive and can be purchased directly from Pacific Life, or through a financial advisor. Investment in a Pacific Life money market fund is also an option. Accounts may be opened for an initial minimum investment of \$500, which is waived if contributions are made through payroll deductions. The minimum automatic contribution is \$50 per month. Individuals interested in payroll deductions should check with their employer to see if it's offered.

As the cost of higher education continues to rise, the Montana Guaranteed Student Loan Program continues to seek new ways of helping every Montanan afford a quality college education. The Montana Family Education Plan offers parents and grandparents, aunts and uncles, a unique and dynamic way to save for a loved ones future. There are no income limits to open an account or age limits to be a beneficiary.

For more information regarding the Montana Family Education Savings Plan, visit <http://montana.collegesavings.com>, or contact Brian Klein of the Montana Guaranteed Student Loan Program at (406)444-0613, or email at bklein@mgslp.state.mt.us. Employers interested in offering payroll deductions should call (800) 722-2333.

-Brian Klein, Scholarship Coordinator



(From left to right) Serenity Osborn, Kristina Perusich,
Erin Proctor

WELCOME TO THE TEAM

MGSLP also wants to welcome 3 new members to our team! Erin Proctor and Kristina Perusich join our Default Prevention unit, and Serenity Osborn works is an Administrative Associate. Katie Ryan has also moved from Administration to the Scholarship Department.

UPCOMING EVENTS

RMAFAA Summer Institute, June 10-15, 2007
NASFAA Annual Conference, Washington, D.C. - July 8-11, 2007
RMAFAA Annual Conference, Breckenridge, Colorado - October 19-24, 2007
NASFAA Decentralized Training, Great Falls, Montana - November 7-8, 2007
MASFAA Annual Conference, Butte, Montana - April 1-4, 2008